

MANISTEE CITY BROWNFIELD REDEVELOPMENT AUTHORITY

70 Maple Street
Manistee, MI 49660

MEETING MINUTES

April 29, 2014

A meeting of the Manistee City Brownfield Redevelopment Authority was held on April 29, 2014 at 2:00 pm in the Council Chambers, City Hall, 70 Maple Street, Manistee, Michigan.

Meeting was called to order at 2:04 pm by Chair Clinton McKinven-Copus

Roll Call:

Members Present: W. Frank Beaver, Steve Brower, Donald Kuk, Marlene McBride, Clinton McKinven-Copus, Jeffrey Stege

Members Absent: Dave Carlson

Others: T. Eftaxiadis (BRA Consultant), Ed Bradford (BRA Administrator), Denise Blakeslee (BRA Recording Secretary)

APPROVAL OF AGENDA

Motion by Don Kuk, seconded by Steve Brower that the agenda be amended to include three items as follows:

- Balance Sheet and Revenue/Expenditures as of April 30, 2014
- 2014 Projected Budget
- 2015 Proposed Budget

With a Voice Vote this motion passed unanimously

APPROVAL OF MINUTES

Motion by Don Kuk, seconded by Marlene McBride that the minutes of the January 28, 2014 Brownfield Redevelopment Authority Meeting be approved as prepared.

With a Voice Vote this motion passed unanimously

PUBLIC HEARING

None

FINANCIAL REPORTS

Approval of Invoices – Members reviewed the summary of invoices submitted for payment.

MOTION by Steve Brower, seconded by Don Kuk to approve payment of invoices as follows:

VENDOR NAME	INVOICE DATE	INVOICE NUMBER	INVOICE AMOUNT	SERVICE DESCRIPTION
EDR	02/26/14	3863221	\$250.00	EPA Grant - HAZARDOUS; North Channel Phase I ESA
ECI	01/13/14	CMBRA-1312H	\$191.25	EPA Grant - HAZARDOUS; Remedial Planning, Brownfield Planning, Project Mgmt (Veterans Memorial Park, Manistee Plating, MNST Iron Works)
EDR	04/03/14	3893984	\$350.00	EPA Grant - HAZARDOUS; Hokanson Phase I ESA
ECI	02/13/14	CMBRA-1401H	\$935.00	EPA Grant - HAZARDOUS; Phase I/II ESAs, Remedial Planning, Program Mgmt (Douglas Park, Veterans Memorial Park, Hokanson)
ECI	02/13/14	CMBRA-1401P	\$612.25	EPA Grant - PETROLEUM; Technical Program Mgmt
Northern Analytical Services	03/30/14	2014-67	\$1,200.00	EPA Grant -HAZARDOUS; North Channel Asbestos/Lead Surveys
ECI	03/03/14	CMBRA-1402H	\$2,932.50	EPA Grant - HAZARDOUS; Phase II ESAs, Remedial Planning, Brownfield Planning, Program Mgmt (Douglas Park, Hokanson, North Channel, General Chemical, MNST Iron Works)
ECI	03/03/14	CMBRA-1402P	\$913.75	EPA Grant - PETROLEUM; Brownfield Planning, Program Mgmt (Tuscan, MNST Iron Works))
Nordlund & Associates	03/18/14	13509	\$1,008.00	EPA Grant - HAZARDOUS; Structural Safety Assessment (North Channel Outlet)
TOTAL:			\$8,392.75	

With a Voice Vote this motion passed unanimously.

Balance Sheet and Revenue/Expenditures as of April 30, 2014

Ed Bradford prepared a Balance Sheet and Revenue/Expenditure report for the Brownfield Redevelopment Authority (attached). Mr. Bradford went through the report and answered questions.

MOTION by Don Kuk, seconded by Jeff Stege to accept the Balance Sheet and Revenue/Expenditures as of April 30, 2014 as presented.

With a Voice Vote this motion passed unanimously.

2014 Projected Budget

Mr. Bradford prepared a 2014 Projected Budget for the Brownfield Redevelopment Authority. He went through each line item with the Directors and answered questions.

MOTION by Don Kuk, seconded by Steve Brower to accept the 2014 Projected Budget as presented.

With a Voice Vote this motion passed unanimously.

2015 Proposed Budget

Mr. Bradford prepared a 2015 Budget for the Brownfield Redevelopment Authority. He went through each line item with the Directors and answered questions. Mr. Bradford noted that the budget can be amended as needed.

MOTION by Don Kuk, seconded by Marlene McBride to accept the proposed 2015 Budget as presented.

With a Voice Vote this motion passed unanimously.

NEW BUSINESS

US EPA Grant Status – T. Eftaxiadis updated the Brownfield Redevelopment Authority on the status of current projects including MDEQ Grants/Loans, USEPA Grants and Brownfield Plans from his memo dated April 24, 2014 (attached) and answered any questions from the Director.

Director Kuk left the meeting at 2:40 pm

PUBLIC COMMENTS AND COMMUNICATIONS

None

CORRESPONDENCE

None

STAFF REPORTS

T. Eftaxiadis, BRA Consultant – Mr. Eftaxiadis spoke of the Brownfield Plan he was working on before the Hazardous Grant expiration, for the South Washington Corridor Area that includes the River Parc Place II and the North Channel Outlet properties, two adjacent vacant properties, and Veteran's Memorial Park. Once the Plan is completed, it will require a public hearing; a Special Meeting of the BRA may need to be called.

MEMBERS DISCUSSION

Director McBride thanked Ed Bradford for his work on preparing the Budgets and Financial Plan.

Chair McKinven-Copus thanked Ms. Blakeslee for her work and preparation of minutes.

Director Beaver entered the meeting at 2:50 pm

The Directors spoke of succession planning for staff and how the records are maintained. Mr. Bradford said that staff is working on scanning and archiving all materials for the BRA on Laserfische.

The next regular meeting of the Brownfield Redevelopment Authority will be held on July 29, 2014

ADJOURNMENT

Motion by Frank Beaver, seconded by Steve Brower that the meeting be adjourned. MOTION PASSED UNANIMOUSLY.

Meeting adjourned at 2:54 pm

MANISTEE CITY BROWNFIELD REDEVELOPMENT AUTHORITY

Denise J. Blakeslee, Recording Secretary

Memo

To: City of Manistee Brownfield Redevelopment Authority Directors and Administrator
From: T. Eftaxiadis
Date: April 24, 2014
Re: Status of MDEQ Grants/Loan, USEPA Grants and Brownfield Plans

1. **MDEQ GRANTS/LOANS.** The status of MDEQ grants and loans awarded to the City of Manistee Brownfield Redevelopment Authority (CMBRA) is as follows:

- a. A \$289,823 Grant was awarded in April 2011 to assist with the environmental cleanup and partial demolition of the **334 River Street** property. The work was substantially completed in June 2012, and the Grant was closed in October 2013.
- b. A \$91,240 Loan and a \$478,510 Grant was awarded in June 2008 to assist with demolition, environmental remediation and due care activities at the **American Materials (Rieth Riley) property**. The work under the Loan and Grant was substantially completed December 2010. The Loan was closed in October 2013, while the Grant is expected to be closed in late April or early May 2014.

The initial annual payment of \$9,140.06 to the MDEQ for the Loan was made in June 2013. Payments will continue for 10 years, to 2023, at the interest rate of 2%; total payments to the Loan will be \$100,541. In accordance with the terms of the Brownfield Plan for the property dated December 2007 and the Brownfield Development & Reimbursement Agreement between the CMBRA and American Materials dated January 2008, American Materials started in June 2013, and will continue to provide to the CMBRA the amount of the annual Loan payments due to the MDEQ until the adequate tax incremental financing (TIF) revenues from the property become available to the CMBRA to repay the Loan. The CMBRA will reimburse American Materials for the Loan payments using TIF when available (see Section 3 – Brownfield Plans, of this memorandum).

2. **USEPA GRANTS.** The previously extended periods of the two USEPA Grants expired on March 31, 2014. Work activities associated with the two Grants since last reported at the January 28, 2014 meeting of the CMBRA, include the following:

- a. Petroleum Site Assessment Grant:
 - i. CMBRA staff is in the process of preparing "close-out" reports and documents as required by USEPA. All "close-out" documents are due on June 31, 2014.
- b. Hazardous Site Assessment Grant:
 - i. **North Channel Outlet.** A Phase I Environmental Site Assessment (ESA), an Asbestos & Lead Based Paint Survey, and a Building Structural Safety Assessment were substantially completed through the Grant prior to its expiration. However, due to the severe weather conditions through March 2014, access to the property was not feasible to complete the Phase II ESA. At staff's request, USEPA provided a two-month extension beyond the March 31, 2014 end date of the Grant period, to allow the CMBRA to occur expenditures associated with the

Phase II ESA and the Baseline Environmental Assessment (BEA) for this property. CMBRA staff will prepare and submit "close-out" reports and documents as required by USEPA" by June 31, 2014

- ii. **518 River Street (former Rengo property).** The property owner did not respond to the request to access the site to complete the Phase I ESA prior to the expiration of the Grant period.
 - iii. **Douglas Park Area.** The Eligibility Determination request to perform a Phase I ESA at this property was denied by the USEPA due to the status of the City (owner) as a potentially liable party.
 - iv. **306 River Street (Hokanson).** The Phase I ESA for this site was substantially completed prior to the expiration of the Grant period. While Recognized Environmental Conditions (REC) were identified at the site, the Grant budget balance and its expiration date did not allow the performance of a Phase II ESA.
3. **BROWNFIELD PLANS.** The status of active and planned Brownfield Plans partially of totally funded through the USEPA grants, is as follows:
- a. Redevelopment efforts at several sites (MAPS Vocational Training Facility, Bookmart, Manistee Iron Works, Century Boat Works and Hotel Northern) did not progress fast enough to trigger need for Brownfield Plans as previously anticipated.
 - b. **334 River Street** property: A Brownfield Plan was approved for this property in October 2010 by the CMBRA and City Council. The MDEQ approved \$144,900 in TIF capture for the reimbursement of eligible environmental activities based on an Act 381 Work Plan submitted for the project; no non-environmental expenses were approved by the MEDC at that time. Following approval of the TIF capture, the MDEQ awarded a grant to the CMBRA (see Item 1.a. above) to cover the vast majority of the eligible environmental and non-environmental project costs. We estimate that the property owner/developer may have incurred and paid up to \$35,100 in TIF reimbursable environmental expenses beyond the amount that was paid with the MDEQ grant.
- The "baseline" taxable value of the property at the time the Brownfield Plan was approved was \$82,651. The Brownfield Plan estimated a 10-year TIF capture period to reimburse the owner/developer's and the CMBRA's expenses. However, the taxable value of the property since the approval of the Brownfield Plan has been decreasing. Therefore, no Brownfield TIF has been available for capture by the CMBRA to date. At the time when TIF becomes available, and upon receipt of proper documentation, the owner/developer's eligible costs and the CMBRA's administrative costs may be paid.
- c. **American Materials (Rieth Riley)** property: A Brownfield Plan was approved for this property in December 2007 by the CMBRA and City Council. Based on an Act 381 Work Plan submitted for the project at that time, the MDEQ and the MEDC approved TIF capture of \$381,190 for the reimbursement of eligible environmental activities, and \$522,925 for the reimbursement of non-environmental expenses, respectively. However, following approval of the Brownfield Plan and the Act 381 Work Plan, the MDEQ awarded a Grant and a Loan to the CMBRA (see Item 1.b. above) to cover the cost of the TIF eligible environmental and non-environmental project activities. As noted above, the developer of the property, American Materials, is obligated to pay the amount of the

annual Loan payments due to the MDEQ (\$9,140) until adequate TIF revenues from the property become available for capture by the CMBRA. The repayment of the amount of the Loan utilized for the project (\$91,242) is expected to be completed within approximately 15 years from the award date of the Loan (2023). The CMBRA will reimburse American Materials for the Loan payments made by American Materials, using future TIF revenues when they are available.

However, note that the property is located within a Renaissance Zone, and property taxes are abated for 15 years, from 2007 to 2022; partial TIF capture will be available during the last three years of the Renaissance Zone period. Therefore, the reimbursement of the Loan payments made by American Materials on behalf of the CMBRA is expected to be initiated when incremental taxes are available for capture and be completed within approximately six and a half (6 ½) years following expiration of the 15 year Renaissance Zone period. Per the approved Brownfield Plan, the TIF capture and reimbursement period will be limited to seven (7) years following the expiration of the 15 year Renaissance Zone period.

Representatives of the CMBRA and American Materials plan to meet in the next few months to discuss the future annual Loan payments and the projected available TIF capture, in light of reductions in the original amount of the Loan and legislative changes impacting the amount of future property taxes.

Please let me know if you have any questions or require additional information.

BALANCE SHEET

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4/29/2014

1:32 pm

City of Manistee

As of: 4/30/2014

Balances

Fund: 243 - BROWNFIELD REDEVELOPMENT AUTHO**Assets**

001.000	Cash	21,759.67
017.000	MBIA Mi Class Inv	0.00
040.000	AR - Invoices	0.00
084.000	Due From Other Funds	0.00

Total Assets**21,759.67****Liabilities**

202.000	Accounts Payable	0.00
203.000	Accrued Payables	0.00
214.000	Due To Other Funds	0.00

Total Liabilities**0.00****Reserves/Balances**

390.000	Fund Balance	8,214.58
398.000	Change in Fund Balance	13,545.09

Total Reserves/Balances**21,759.67****Total Liabilities & Balances****21,759.67**

REVENUE/EXPENDITURE REPORT

City of Manistee
For the Period: 7/1/2013 to 4/30/2014

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4/29/2014
1:15 pm

	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	Encumb. YTD	UnencBal	% Bud
Fund: 243 - BROWNFIELD REDEVELOPMENT AUTHO							
Revenues							
485.000 Permits							
Permits	0.00	0.00	0.00	0.00	0.00	0.00	0.0
501.000 Federal Grant							
Federal Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.0
539.000 State Grant Revenue							
313609 09/13/2013 GJ EFT - State of Michigan / Brownfield	334 River Street - Pmt #3	\$17,611.75	17,611.75	& Pmt #4 \$8,637.81			
313609 09/13/2013 GJ EFT - State of Michigan / Brownfield	334 River Street - Pmt #3	\$17,611.75	8,637.81	& Pmt #4 \$8,637.81			
313610 09/13/2013 GJ EFT - State of Michigan / Brownfield	334 River Street - Pmt #4 remainder		2,557.19	Final Payment - Grant Closed			
State Grant Revenue	0.00	0.00	28,806.75	0.00	0.00	-28,806.75	0.0
626.000 Charge for Service							
Charge for Service	0.00	0.00	0.00	0.00	0.00	0.00	0.0
664.000 Interest Income							
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00	0.0
676.000 Reimbursement							
Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	0.0
699.000 Transfers In							
319388 01/30/2014 GJ Transfer 251 Balance to BRA Fund			245.40				
Transfers In	0.00	0.00	245.40	0.00	0.00	-245.40	0.0
Revenues	0.00	0.00	29,052.15	0.00	0.00	-29,052.15	0.0
Expenditures							
799.000 Miscellaneous Expense							
Miscellaneous Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.0
801.000 Professional Services							
310968 08/13/2013 AP EFTAXIADIS CONSULTING INC	CMBRA Technical Services		297.50	INV#:	CMBRA-1307	74320	
311731 09/06/2013 AP EFTAXIADIS CONSULTING INC	CMBRA Technical Services		191.25	INV#:	CMBRA-1308	74527	
317707 12/13/2013 AP EFTAXIADIS CONSULTING INC	Env Consulting - Joslin Cove,		233.75	INV#:	CMBRA-1311	75870	
317707 12/13/2013 AP EFTAXIADIS CONSULTING INC	Env Consulting - Joslin Cove,		170.00	INV#:	CMBRA-1311	75870	
Professional Services	0.00	0.00	892.50	0.00	0.00	-892.50	0.0
820.000 Administration							
Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.0
900.000 Printing & Publishing							
Printing & Publishing	0.00	0.00	0.00	0.00	0.00	0.00	0.0
970.000 Capital Outlay							
Capital Outlay	0.00	0.00	0.00	0.00	0.00	0.00	0.0
988.000 Grant Expense - Land Improveme							
Grant Expense - Land Improveme	0.00	0.00	0.00	0.00	0.00	0.00	0.0
999.000 Transfers Out							
Transfers Out	0.00	0.00	0.00	0.00	0.00	0.00	0.0
801.000 Professional Services							
Professional Services	0.00	0.00	0.00	0.00	0.00	0.00	0.0
964.000 Refunds							
Refunds	0.00	0.00	0.00	0.00	0.00	0.00	0.0
990.000 American Materials MDEQ Loan							
American Materials MDEQ Loan	0.00	0.00	0.00	0.00	0.00	0.00	0.0

REVENUE/EXPENDITURE REPORT

City of Manistee
For the Period: 7/1/2013 to 4/30/2014

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4/29/2014
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	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	Encumb. YTD	UnencBal	% Bud
Fund: 243 - BROWNFIELD REDEVELOPMENT AUTHO							
Expenditures							
801.000 Professional Services							
Professional Services	0.00	0.00	0.00	0.00	0.00	0.00	0.0
801.000 Professional Services							
315119 10/01/2013 AP ELMER'S CRANE & DOZER, INC.	334 River St Brownfield Proj		8,477.75	INV#:	605340	75370	
315120 10/01/2013 AP RIO VISTA LLC	334 River St Brownfield		6,136.81	INV#:		75371	
Professional Services	0.00	0.00	14,614.56	0.00	0.00	-14,614.56	0.0
Expenditures	0.00	0.00	15,507.06	0.00	0.00	-15,507.06	0.0

City of Manistee

2014-2015 Budget

Brownfield Redevelopment Authority

243 Brownfield Authority	2014 Projected	2015 Budget	Notes
485.000 Permits			
501.000 Federal Grant	\$0	\$0	
539.000 State Grants	41,021	0	
626.000 Charge for Service	0	15,000	River Parc & North Channel, MHC
699.000 Operating Transfer In	245	0	
Total Revenues	\$41,266	\$15,000	
000 Brownfield Authority			
799.000 Miscellaneous Expense	\$0	\$0	
801.000 Professional Services	1,393	11,000	MHC Manistee Plating, River Parc (T., Nordlund, Etc.)
820.000 Administration	0	4,000	City staff time
860.000 Travel & Training Expense	0	0	
900.000 Printing & Publishing	0	0	
970.000 Capital Outlay	0	0	
999.000 Transfer Out	25,000	0	
Subtotal Brownfield Authority	\$26,393	\$15,000	
334 River Street			
799.000 Miscellaneous Expense	\$0	\$0	
801.000 Professional Services	\$14,615	\$0	
820.000 Administration	0	0	
860.000 Travel & Training Expense	0	0	
900.000 Printing & Publishing	0	0	
970.000 Capital Outlay	0	0	
Subtotal 334 River Street	\$14,615	\$0	
Total Expenses	\$41,007	\$15,000	
TOTAL EPA BROWNFIELD PILOT GRANT	\$259	\$0	
Beginning Fund Balance	\$8,215	\$8,474	
Projected Ending Fund Balance	\$8,474	\$8,474	